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The Conference Board

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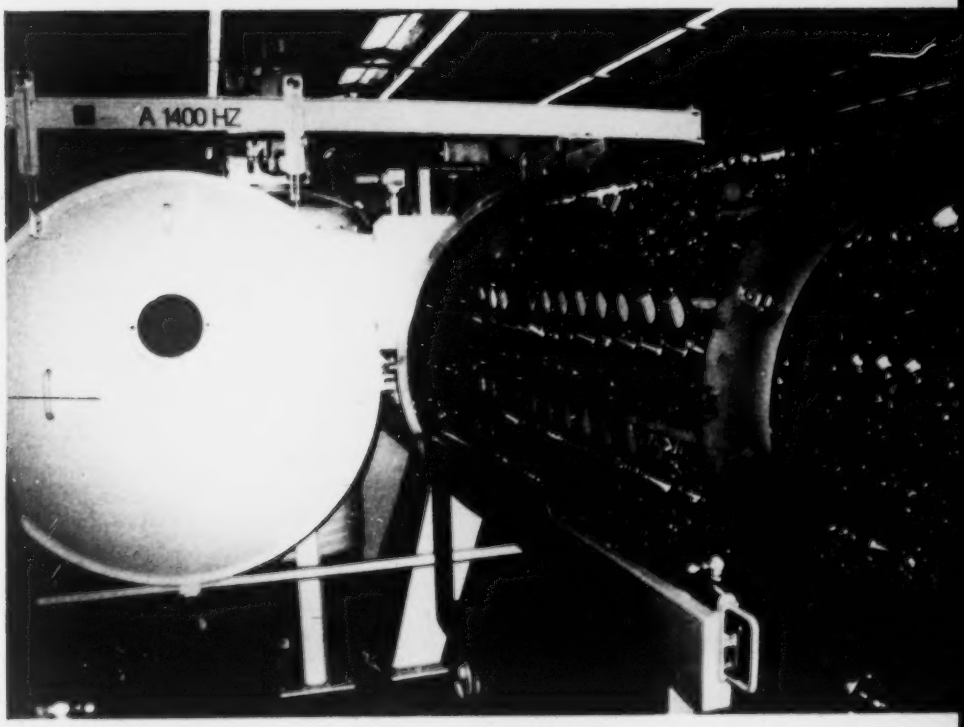
Economic Times



INSIDE:

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Editor's Note

This month's collection of information covers a broad cross-section of topics at issue in the election: the fairness issue, our health care system, Federal Reserve policy and the role of government. And, of course, the past and prospective performance of the economy, as reviewed in our Stat File and Crystal Ball.

The cover photo, which comes to us courtesy of The Stanley Works, shows the company's new sputter-coating process, an improved way of finishing tape rule cases, replacing chrome plating.

If you haven't already done so, we hope you will answer the few questions in our readership survey on the back of the wrapper this publication arrived in, and send it back to us. Many thanks.

Ed Fiedler

Maxim of the Month:

When we remember we are all mad, the mysteries disappear and life stands explained.

Mark Twain

Dollar Disaster?

The recent sharp decline of the dollar against the German mark has been reported in apocalyptic terms. Securities analysts blame it for a big one-day sell-off in stocks and bonds, out of fear that the Fed will raise interest rates. A Wall Street economist labels it a crisis of confidence. A newsweekly lamented the high prices Americans are paying abroad. A business magazine spoke of a lot of losers, particularly European companies that export to the United States or compete with U.S. producers in world markets. Others noted that a falling dollar puts upward pressure on imported goods prices and thus adds to inflation. A major newspaper said the drop in the dollar threatens the U.S. economic recovery. And a senior network news anchor suggested that the dollar decline would lead the economy into a depression. The black crepe was everywhere.

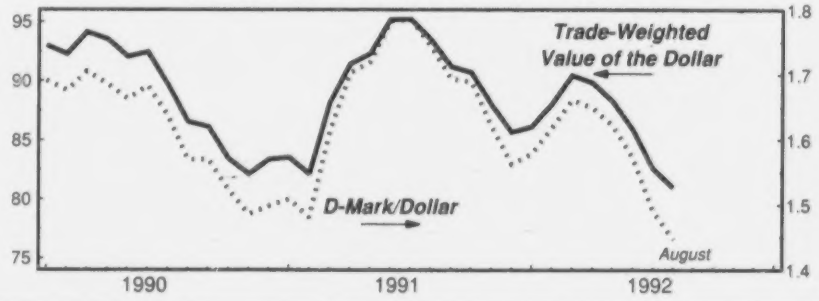
Is any of this true? Well, the depression surely not, and the threat to recovery seems awfully remote. Also, focusing only on the dollar/D-mark rate overstates the dollar's decline; on a trade-weighted basis, the August decline is somewhat more moderate (see chart). But the rest of it is technically valid. A declining dollar does create uncertainty, does hurt foreign exporters and American tourists abroad, and does put up the prices of U.S. imports.

But that's only half the story. For every foreign exporter with disappearing profits there is an American exporter who's laughing all the way to the bank. For every American student abroad struggling to make ends meet, there's a foreign student in America who never had it so good. And for every upward price pressure here, there's a downward price pressure abroad.

The central point is that the economy-wide impact of currency changes is mixed. They are a two-way street, with the favorable effects substantially offsetting the unhappy consequences. The one exception is the uncertainty, but living with fluctuating exchange rates is not grossly different from living with fluctuations in the price of oil or any other important international commodity.

But the good-bad mix of effects that tend to balance out is not the message we get from the media. In the news reports the favorable effects are rarely mentioned, while the unhappy consequences are trumpeted at top decibel. There is nothing surprising about this, of course; as the journalist Edgar Watson Howe observed decades ago, "Except the Flood, nothing was ever as bad as reported." Furthermore, there's not much to do about it, except to remember that, like Mark Twain, reports of our economic death are greatly exaggerated.

International Value of the U.S. Dollar



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Colloquium: How Much Government?

BACKGROUND

A controversial issue in the current Presidential campaign (although not often stated just this way), is the extent to which the federal government should involve itself in "the private sector." Almost all economists agree (a) that government should set rules on such matters as property rights and contracts, and (b) that it should carry out broad fiscal and monetary policies, but (c) that it should stop its participation far short of U.S.S.R.-type socialism. That still leaves plenty of room for disagreement about how much regulation, subsidies, lending programs, import and export controls, and even government ownership of certain industries, is appropriate.

Members:

Members of The Conference Board Economics Colloquium are: Stephen H. Axilrod, Vice Chairman, Nikko Securities International; Andrew F. Brimmer, President, Brimmer & Company; Don R. Conlan, President, Capital Strategy Research; Robert G. Dederick, Executive Vice President and Chief Economist, Northern Trust Company; John T. Dunlop, Lamont University Professor Emeritus, Harvard University; Gail D. Fosler, Vice President and Chief Economist, The Conference Board; Lyle E. Gramley, Senior Staff Vice President & Chief Economist, Mortgage Bankers Association; Isabel V. Sawhill, Senior Fellow, The Urban Institute; James Tobin, Sterling Professor Emeritus, Yale University; Laura D'Andrea Tyson, Professor of Economics, University of California, Berkeley; Charls E. Walker, Chairman, Charls E. Walker Associates; Murray Weidenbaum, Director, Center for the Study of American Business; Albert M. Wojnilower, Senior Advisor, First Boston Corporation.

QUESTION

How Far Do We Go? How Much Government Involvement Is Appropriate For The U.S. Economy? How Do We Decide Where To Draw The Line?

Robert G. Dederick
Northern Trust Company

If only Washington could be counted on to do the right thing. Any microeconomics textbook could then tell us where and to what extent government should interfere. But Washington *can't* do better! Too few able decision-makers with too many conflicting interests live there. The result might well be politically satisfactory in the short run, but it's often economically disastrous in the longer term—which sometimes can come quickly. Ask any taxpayer who has been bailing out the savings and loan system. (Now, what was that question?)

Charls E. Walker
Charls E. Walker Associates

The general principle: Government "intrusion" should be limited to mitigating market imperfections. But even where markets perform efficiently, intrusion may well be justified in order to "tilt" society away from consumption and toward policies in education, technology, and national saving and investment that assure productive capital formation and future growth. An industrial "strategy" *is* both warranted and needed. An industrial "policy" that picks specific winners and losers among industries *is not*.

Laura D'Andrea Tyson
University of California, Berkeley

The United States should look to the other advanced industrial countries, where the government's role is consistently more extensive and varied than it is here. Foreign governments provide substantial funding and leadership for national health care, education and training, and the social safety net. Their investment in public infrastructure already dwarfs ours, and the gap is growing. Most of these countries are now doing as well as we are economically, and their social problems are much less severe than ours. It's time to follow their example.

Stephen H. Axilrod
Nikko Securities International

We should go far enough to keep the fabric of our society well-knit. The market is not always right, nor sometimes much concerned, so government involvement will vary over time (though in general less is better than more). For now, to give a few examples, the government should provide incentives for private and public investment, encourage higher educational standards, and keep a more efficient social safety net intact. Eventually, enough taxes should be collected to do the job.

Rich and Poor—
Sorting Out the Fairness Question

by Isabel V. Sawhill and Mark Condon

It is widely believed that U.S. incomes have become more unequal since the early 1970s. Liberal politicians cite this as evidence that American society is becoming more stratified, that the rich are getting richer and the poor poorer. Conservatives respond that these analyses are flawed—arguing that they fail to recognize the tremendous individual mobility hidden within the averages.

Here we seek to clarify the debate by looking at data on a sample of individuals whose incomes were tracked between 1967 and 1986. Based on our analysis to date, the story is as follows:

- If we rank all the jobs or other income-producing opportunities in society from highest to lowest, we find a growing gap between the top and the bottom. The rewards for success or good fortune have gotten larger and the penalties for failure or bad luck have grown correspondingly.
- When society's reward structure is highly unequal it puts a big premium on individual income mobility. As long as there is a lot of mobility, an unequal reward structure is not necessarily a problem. If there is little mobility, then it is. Individual mobility in the United States falls somewhere between "a lot" and "a little." Many people do move from one income stratum to another. When one follows individuals rather than income groups, one finds that, on average, the rich got a little richer and the poor got much richer over both the decades for which we have data.
- Lifetime incomes may still be getting more unequal, however. If the reward structure is getting more unequal, lifetime incomes are going to be more unequal unless growing wage inequality is offset by more mobility between jobs or other income-earning opportunities. We find no evidence that individual mobility increased between the 1970s and the 1980s.

Thinking about Fairness

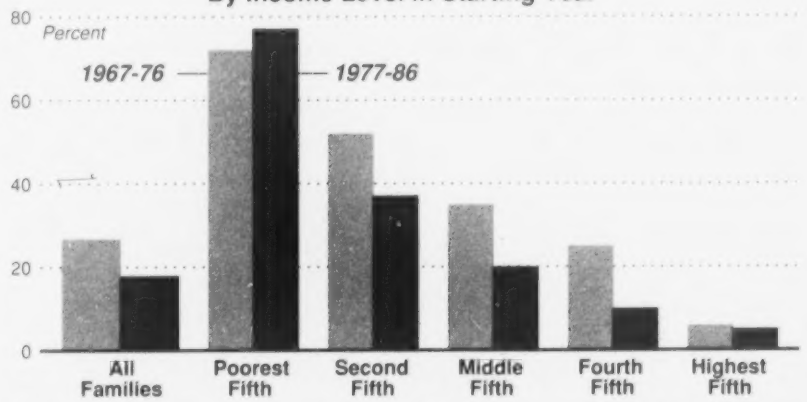
Joseph Schumpeter, a famous economic historian, once likened the distribution of income to rooms in a hotel —always full, but with different people. In a hotel in which all the rooms are alike it doesn't matter which one you occupy. But in most hotels, as in most societies, some rooms are exceedingly luxurious, others are quite shabby, and which room you end up in matters a lot. Fairness requires that you have an opportunity to change rooms.

To measure inequality by the usual method, the U.S. Census Bureau and other statisticians look at the hotel registry each year to see how many people are occupying each type of room. All families are ranked by their annual incomes from highest to lowest and sorted into five groups, called quintiles. Then, to test whether economic inequality has risen, the average income of each quintile in one year will be compared to the average income of that same quintile in another year, *even though each quintile may now contain a different set of individuals.*

The data suggest that after growing between 1967 and 1976, the average income of the bottom quintile declined between 1977 and 1986. In both periods, the average income of the top quintile grew rapidly. These are the kinds of calculations that have been used to conclude that "the rich are getting richer and the poor poorer" over the last decade or two.

What has caused this growth in income inequality as conventionally measured? Most analyses have shown that the main cause is the growing inequality of earnings. Although the tax system is a little less progressive than it was in the past and the safety net somewhat frayed, these changes have not been as important as the increasing gap between the

Increases in Real Family Incomes
By Income Level in Starting Year



Source: Urban Institute

Note: Sample limited to adults ages 25 to 54 in starting year

wages of higher-paid and lower-paid workers.

This less equal distribution of earnings, in turn, appears to be related to technological changes and international competition, which have put a high premium on education and experience. The rewards for both have been increasing since the late 1970s. And unless income mobility increases to offset these structural changes in the economy, lifetime earnings may become increasingly unequal.

People Swap Rooms Often

We now turn to a different set of data, which track the earnings of individuals (adults, ages 25-54 in the starting year) from year to year across the decades. These data show that individual mobility in the United States is substantial. In the decades 1967-76 and 1977-86, some three out of five adults changed income quintiles. A little less than half the members of the bottom quintile moved up into a higher quintile, and about half the members of the top quintile fell out of that quintile. In both periods, more than two-thirds of those who started out in the middle quintile had moved up or down into a different quintile by the end of the period.

If mobility between income classes is a glass that is half full, it is also half empty. A little more than half the occupants of the bottom quintile had not risen out of that quintile ten years later, and half of the occupants of the top quintile remained there ten years later.

Nonetheless, as the chart shows, the mobility that did occur ensured that over both decades, on average, the poor (here defined as those in the bottom quintile at the beginning of each decade) grew much richer, by 72-77 percent. The rich (defined as those in the top quintile at the beginning of the decade) grew a little richer, by 5-6 percent.

These figures will not surprise the experts. Any significant mobility should lead to the same pattern. People who start at the bottom have nowhere to move but up, and are likely to do so as they become older, gain work seniority, and earn higher incomes. People who start at the top, some of whom may be there because of temporary sources of income like capital gains, have nowhere to go but down.

This pattern, however, may be surprising to the general public, which has been led to believe that the poor were literally getting poorer over the last decade or two, and that the incomes of the rich were skyrocketing. This is simply not true.

A Room of One's Own Is Not Necessarily a Room With a View

While many individuals swap rooms over time, our data show that the degree of mobility in the U.S. economy has not increased. Although the poor can "make it" in America, and the wealthy can plummet from their perches, these events are no more likely to occur today than in the 1970s. What has changed is the rooms.

Specifically, the rooms at the top have an increasingly nice view, while the ones at the bottom have deteriorated. Indeed, some will conclude that the hotel we call the U.S. economy has become a more class-stratified place to live. Others will argue that the lure of a better view is what induces people to try to change rooms in the first place.

Whether the notion of class is half full or half empty depends on your perspective.

Excerpted from *Policy Bites*, June 1992. Isabel Sawhill is a senior fellow and Mark Condon is a former research assistant at The Urban Institute.

Quotable Quote

Stephen S. Roach on California Aftershocks

The 1990s have come as a rude awakening for the once proud Golden State. Indeed, the economic climate in California continues to deteriorate. The state's unemployment rate rose to 9.8 percent in August, more than two points above the national average.

The California economy is now being hit with a "triple whammy." First, the downsizing of the defense industry is having an unmistakably sharp impact there. A second factor hitting California is the ongoing pressures of service sector restructuring; the shake-out in services is particularly painful for a State whose service sector unemployment share is fully 3.5 percentage points above the national average. Third, the recent collapse of the housing market has taken a particularly sharp toll on California consumers—many of whom had long grown accustomed to financing personal spending by tapping the rapidly expanding equity of their personal housing portfolio.

For California, the triple whammy will not fade overnight. These are structural developments that can be expected to play out over several years. To be sure, economic conditions vary widely across the state, and a case can be made that Northern California will probably do better than the South. Be that as it may, the overall economic climate for California in the 1990s looks radically different today than it did in decades past. And with this state now accounting for over 13 percent of total personal income in the United States, tough times in California sound a clear note of caution for the long-awaited recovery in the national economy.

Adapted from "Inside the U.S. Economy," July 17, 1992. Stephen S. Roach is Senior Economist at Morgan Stanley & Co.

The Best Health Care System in the World?

by Victor R. Fuchs

Does the United States have the best health care system in the world, as some claim? Or does the answer to that question depend on the criteria used? The "best" health care system may be like the "best" spouse—it all depends on what one is looking for.

The economic point of view suggests assessing three dimensions of the "output" of health care: technologic, public health, and service, and then considering each of these from the perspectives of efficiency and distributional equity.

Technology. One way to evaluate health care systems is to ask in which country do we find the most advanced medical technologies in the greatest abundance? Where do the world's most ambitious young physicians go for advanced training? And where do the super-rich from Third World countries go when they want high-tech medical care? The answer to all these questions is usually the United States. In this sense we can accurately say that the United States has the best health care system in the world. New drugs are an exception; the Food and Drug Administration's lengthy review may result in prior introduction abroad, even if drugs were developed by U.S. companies.

Public Health. Another way of judging the merits of a health care system is by the health of the population. This could be based on simple measures, such as life expectancy, or on more complex ones that take into account quality of life as indicated by the absence of morbidity or disability. From this perspective the United States ranks below average among economically developed countries according to most measures. For example, life expectancy at birth is 4.5 years less in the United States than in Japan (1988).

Service. Health care has always meant more than improving health outcomes. Particularly important are the caring function (sympathy and reassurance) and the validation function (provision of professional certification of health status). Until this century the service, caring, and validation offered by health professionals were undoubtedly more valuable than their therapeutic interventions. Even today most disease is either self-limiting or incurable, but people who are sick or in pain want access to physicians, nurses, and other health professionals.

Thus an important criterion for evaluating a health care system is the availability of services. Is it easy to get to see a physician? Or to reach one by telephone? How long does a bedridden hospital patient lie in urine before someone responds to a call? Do health aides regularly visit the homebound elderly? Are dying patients treated with compassion? Very little data are available concerning this perspective, but countries probably differ considerably in the quantity of services provided. Germany, for instance, provides more than twice as many physician contacts and hospital days per capita as the United States, but there are many dimensions of service that are unmeasured.

Efficiency. A country can rank high with respect to technology, to the public's health, and to the provision of services, but if it can do so only by making extraordinary claims on the country's resources it would rank low from an efficiency perspective. Much of the criticism of the U.S. health care system arises because Americans spend 40 percent more than Canadians for health care, and the excess over European countries is even greater. England's parsimonious use of resources is particularly noteworthy. Although high-tech medicine is severely rationed, England's level of public health is about the same as America's, and it manages to provide a considerable amount of service while spending only $1 per capita for every $3 spent in the United States.

Distributional equity. Another perspective examines the distributional equity of the health care system. All else

held constant, many people believe that a more equal system is a better system. Consider, for instance, a country which has an average life expectancy of 76 years, but which also has great inequality. Some of its citizens die in childhood or as young adults, while others live past 90 years of age. Given any reasonable assumption about risk aversion, most people would prefer to be born in a country in which everyone lives to age 75. Similar arguments can be made about the distribution of technology or of service. The fact that most countries provide universal health insurance while one in seven Americans is uninsured denies the United States a favorable ranking from this perspective.

Conclusion. Let us return to the original question. Does the United States have the best health care system in the world? It does technologically, but not from any of the other four perspectives. In particular, we need to improve efficiency (control the high cost of care) and distributional equity (provide universal insurance). The public health and service dimensions also need closer scrutiny. If and when we progress in those areas, claims of superiority for American health will be more convincing.

Excerpted from *The Journal of the American Medical Association*, v. 268:916-917, August 19, 1992. © Copyright 1992, American Medical Association. Victor R. Fuchs is Henry J. Kaiser, Jr. Professor, Stanford University, and Research Associate, National Bureau of Economic Research.

Price Stability Should Be The Fed's Paramount Goal

by Gary H. Stern

The most interesting and fundamental issue in central banking today is the argument that price stability should be *the* paramount objective of monetary policy. That conclusion rests on three main propositions: First, that the goal of economic policy is to achieve sustained prosperity. Second, that the principal contribution monetary policy can make to that goal is to establish price stability, since our economy does not work well in an inflationary environment. And third, that inflation is ultimately a monetary phenomenon.

The debate centers on the second proposition. Some maintain that the benefits of price stability are small and that most of them can be obtained by suitable indexing of taxes, compensation, and credit agreements. This position is seriously flawed, however, because comprehensive indexing is unlikely and at most would be a second-best substitute for price stability.

A more serious intellectual challenge is posed by those who assert that the goal should be a stable inflation rate rather than price stability. The historical record argues against this position in two ways: First, for whatever reasons, countries that abandon price stability as a goal generally experience accelerating inflation, not a stable inflation rate. Second, comparisons across countries show that over the long term lower inflation rates are associated with stronger growth.

Some worry that too rigid a commitment to price stability could prevent the Federal Reserve from responding appropriately to "shocks," such as a sharp break in stock prices or other threats to the financial system. Not so—even large injections of liquidity are compatible with price stability if they are temporary.

A more substantial concern is the fear that the short-term pursuit of price stability will lead to losses of employment and output, as suggested by the Phillips curve. If, however, the credibility of the Federal Reserve's commitment to price stability and its ability to attain the goal are high, expectations about wages, prices, and interest rates are likely to moderate quickly. For example, when the Fed some months ago reaffirmed its commitment to price stability, financial markets responded promptly and favorably. If the Fed's policies are credible, price stability can be attained at acceptably low cost.

But credibility has to be earned, and that may be a slow and frustrating process. It requires that the Fed stick to its guns at times when there are pressures to stray—such as pressures to adopt expansionary policies to temporarily boost the economy.

Moreover, the Federal Reserve is limited in its ability to pursue expansionary policies, even if it so desired. A country that pursues a more expansionary monetary policy than its trading partners is likely to see its currency decline in value. This accelerates inflation and results in an unsustainable situation. Now that more and more central banks are explicitly committing themselves to price stability, the range of options for any one country is narrowing.

In summary, I believe that price stability remains a worthy policy goal, even though it is proving a challenge to obtain. We need to be patient, however, and we will be rewarded if we are. The health of our economy will best be restored in a noninflationary environment.

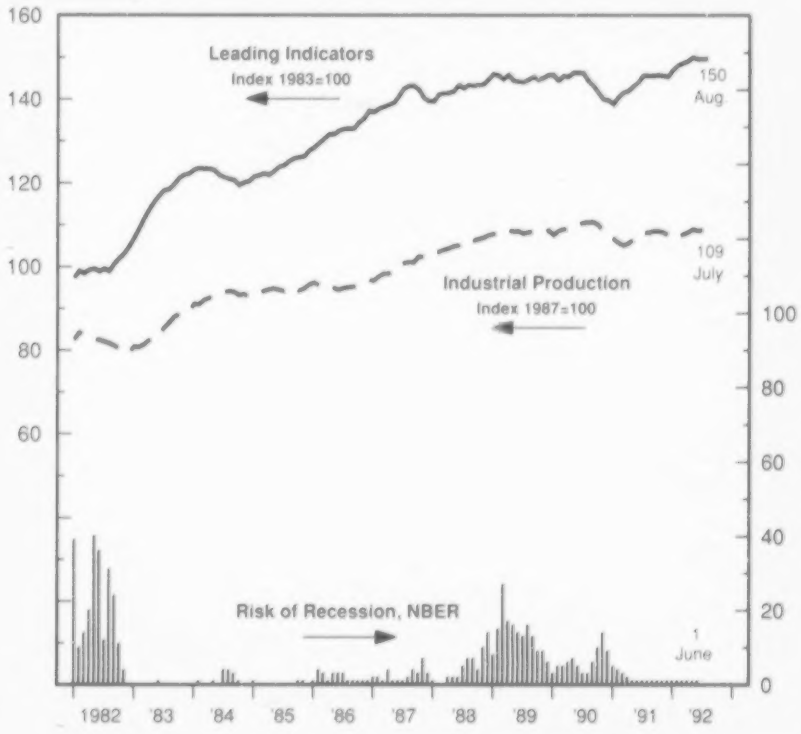
Adapted from a presentation to the National Economists Club, Washington D.C., September 1991. Gary H. Stern is President of the Federal Reserve Bank of Minneapolis.

Conference Board Stat File

The Four Ds

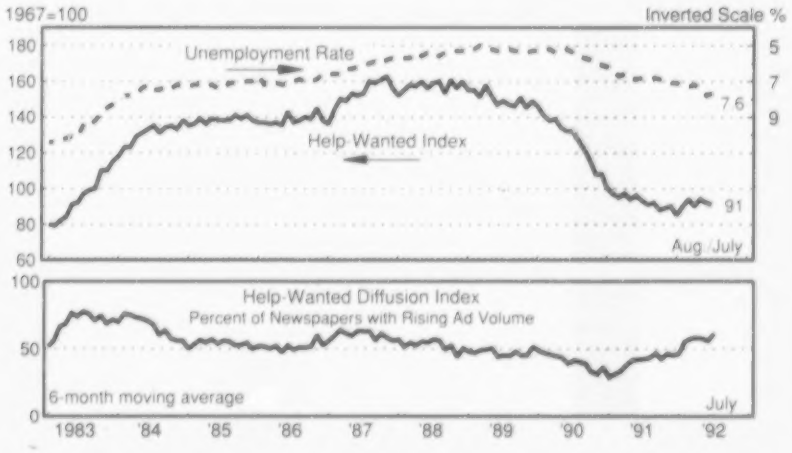
Little has changed in recent months. The one uncontestable piece of good news is the continuing gradual deceleration of inflation (p. 9). The outlook for economic activity is also favorable in that all the forecasters on our Crystal Ball page project rising real GDP through 1993. But that's about as far as the optimism can be stretched. To date the pace of advance remains as limp as before, too slow to create (net) new jobs. The constraining forces are what Ed Campbell of Brown Brothers Harriman has labeled "the four Ds:" The DEBT overhang, which inhibits new investment; chronic massive budget DEFICITS, which raise real long term interest rates; DEMOGRAPHICS, that is, the slow pace of household formation, which limits demand for housing and related big-ticket consumer goods; and DEFENSE spending, which is being reduced steadily. As long as these impediments to expansion remain in place and consumers stay a bit melancholy (p. 10), the odds are heavily against an appreciably stronger economy.
(Note: Data for Conference Board series in this section are available on request from Ken Goldstein at 212-339-0331.)

Early Warning Indicators



Still pointing to sluggish growth.

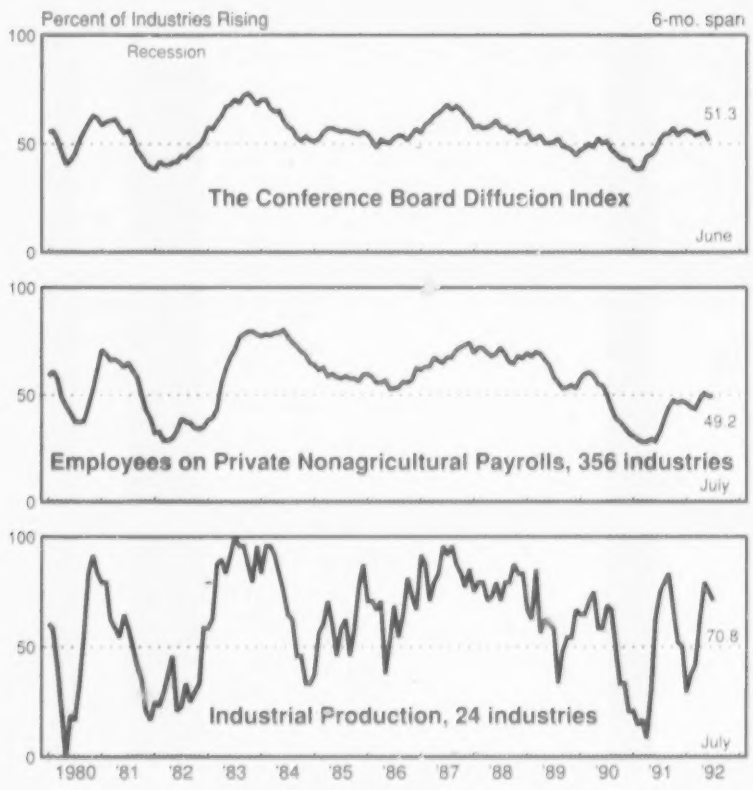
Help-Wanted Advertising and Unemployment



Labor markets remain soggy.

Conference Board Stat File

Indexes of Economic Momentum



Momentum found only in the industrial sector.

Core inflation below 4 percent.

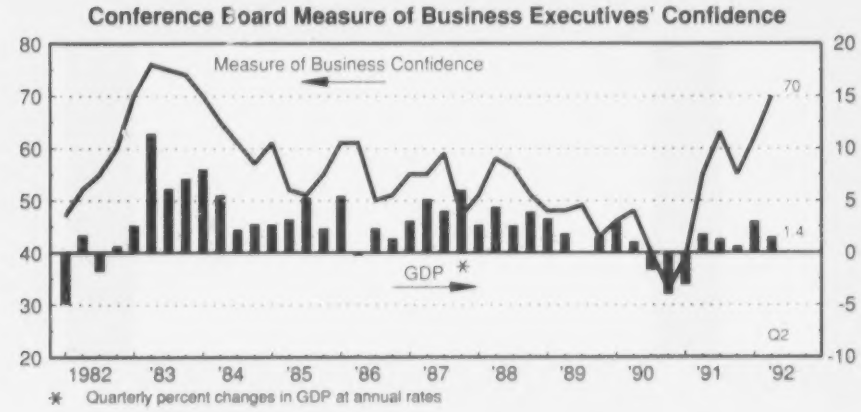
Inflation Fundamentals

* Core inflation = CPI excluding food at home and energy.

* Core employment-cost inflation = wages and salaries of private sector workers excluding sales personnel (i.e., excluding the benefits that are part of the ECI).

Conference Board Stat File

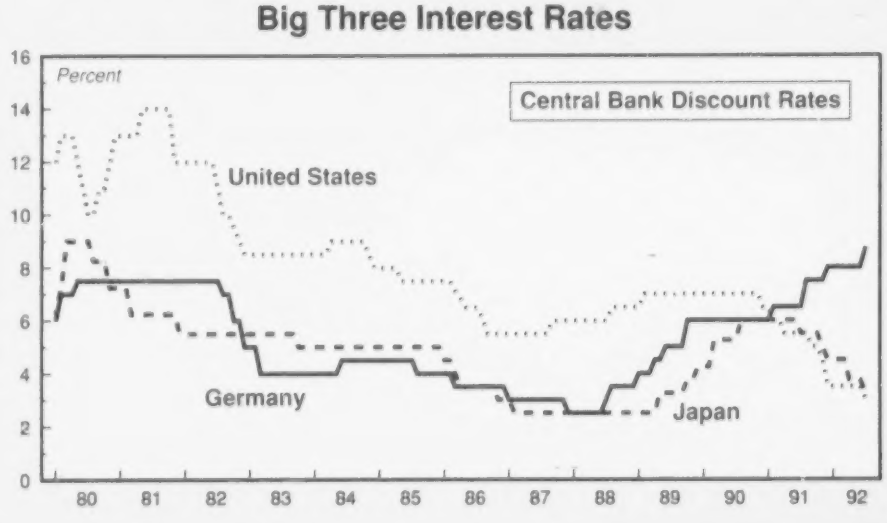
Confidence



Major differences persist between consumers and executives.

Chart of the Month

The most sensational story in the financial markets this month was the rise of the D-mark against the dollar. The main reason for that currency swing is the enormous gap that has opened between short-term interest rates in Germany and the United States—an extraordinary 5.75 percentage points in the central bank discount rates.



Inside the Crystal Ball

		UCLA	MERRILL L.	DU PONT	GEORGIA ST.	NORTHERN TRUST	CONF. BOARD	EATON	L.H. MEYER	DRI	WEFA	MICHIGAN - RSQE		
Date of Forecast		Aug.	Aug.	Aug.	Aug.	Aug.	Aug.	Aug.	Aug.	Aug.	Aug.	Aug.		
Gross Domestic Product		(Quarter-to-quarter percent change, constant dollars, seasonally adjusted at annual rates)												
		%	%	%	%	%	%	%	%	%	%	%		
Actual	1992 1Q	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	1Q 1992	Actual
	2Q	1.4	1.4	1.4	1.6	1.4	1.4	1.4	1.4	1.4	1.4	1.4	2Q	
Forecast	3Q	2.0	1.5	2.6	1.8	2.8	1.2	2.2	1.9	1.8	2.5	1.3	3Q	Forecast
	4Q	2.0	2.8	2.9	3.0	3.0	1.3	3.1	2.4	2.9	2.9	3.1	4Q	
	1993 1Q	3.2	2.9	3.3	2.9	3.1	1.5	4.0	3.2	3.3	3.2	3.9	1Q 1993	
	2Q	3.7	3.0	3.8	2.7	3.3	2.9	3.9	3.1	3.7	3.0	3.6	2Q	
	3Q	3.4	2.2	3.8	3.6	3.0	2.3	3.5	3.2	3.5	3.9	3.1	3Q	
	4Q	3.3	3.4	3.7	1.3	2.7	2.1	2.4	2.8	3.7	2.9	2.6	4Q	
	1994 1Q	2.8		3.7			1.6		3.0	3.2	3.2	2.7	1Q 1994	
	2Q	2.6		3.6			1.9		3.0	2.6	2.4	2.6	2Q	
	3Q			3.6			2.0		2.9	1.8	2.7	2.4	3Q	
Inflation (Deflator)		(Percent change from same quarter one year earlier)												
Actual	1991 4Q	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	1991 4Q	Actual
Forecast	1992 4Q	3.8	3.6	3.8	3.5	3.7	4.0	3.5	3.5	3.2	3.6	3.2	1992 4Q	Forecast
	1993 4Q	3.1	2.9	3.3	3.4	3.0	3.2	3.0	2.2	2.9	3.1	2.4	1993 4Q	
30-Yr Treasury Bond Rate		(Percent, quarterly)												
Actual	1992 1Q	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	1Q 1992	Actual
	2Q	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	2Q	
Forecast	3Q	7.6	7.5	7.5	7.8	7.5	7.4	7.5	7.5	7.5	7.5	7.5	3Q	Forecast
	4Q	7.7	7.5	7.5	7.9	7.5	7.5	7.1	7.3	7.5	7.6	7.4	4Q	
	1993 1Q	7.9	7.7	7.6	8.1	7.5	7.7	7.1	7.2	7.7	7.7	7.4	1Q 1993	
	2Q	7.9	7.9	7.7	8.2	7.5	7.8	7.2	7.1	7.9	7.8	7.4	2Q	
	3Q	7.7	8.0	7.8	8.3	7.5	7.9	7.2	7.0	7.9	7.9	7.4	3Q	
	4Q	7.6	8.1	7.9	8.3	7.5	8.0	7.2	6.9	7.8	8.0	7.3	4Q	
	1994 1Q	7.5		8.0		7.6	8.0		6.8	7.9	8.1	7.2	1Q 1994	
	2Q	7.4		8.0		7.6	8.0		6.7	8.0	8.1	7.2	2Q	
	3Q			8.0			8.0		6.5	7.9	8.2	7.2	3Q	
Unemployment Rate		(Percent, quarterly)												
Actual	1991 4Q	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	4Q 1991	Actual
Forecast	1992 4Q	7.6	7.4	7.4	7.4	7.3	7.5	7.6	7.7	7.6	7.7	7.6	4Q 1992	Forecast
	1993 4Q	6.7	6.5	6.6	6.7	6.9	7.3	7.0	6.8	6.7	6.9	7.0	4Q 1993	
	1994 3Q			6.0			7.7		6.2	6.1	6.4	6.8	1Q 1994	

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